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C O N F I D E N T I A L SECTION 01 OF 02 DILI 000158

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TAGS: PGOV MAAR KDEM AU TT  
SUBJECT: GUSMAO DISCUSSES ELECTION RESULTS AND CNRT STRATEGY WITH CHARGE

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CLASSIFIED BY: Elizabeth S. Wharton, Political / Economic Officer, U.S. Embassy, Dili, East Timor, Department of Defense.

REASON: 1.4 (b), (d)

¶1. (C) Summary: In an April 18 meeting with Charge d'Affaires, President Xanana Gusmao described the results of the April 9 first round of the presidential elections as essentially a loss for the ruling Fretelin party with its candidates' performance reflecting a broad based desire for change. He attributed Prime Minister Jose Ramos-Horta's lower support in the western districts to his role in ordering the International Stabilization Force (ISF) operations against dissident military leader Alfredo Reinado. Overall, he concluded that this round, involving candidates from most of the parties that will contest the June 30 parliamentary elections, provided an accurate snap shot of what the parties can expect in that poll. Gusmao assessed the conduct of this election as basically good, despite some concerns, noting that it was mostly peaceful, that participation was high, and that people felt free to choose. Gusmao also provided an overview of his current thinking about his new political party, the National Congress for Timorese Reconstruction (CNRT), which will hold its national congress on April 24-26. Although Post understands that discussions are ongoing between some opposition parties and the CNRT regarding a possible pre-parliamentary election coalition, Gusmao threw doubt on that possibility, stating that CNRT would go it alone. However, it was also apparent that he was still thinking through the party's strategy on this front. End summary.

¶2. (C) In an April 18 meeting with Charge d'Affaires (CDA), President Xanana Gusmao conveyed his assessment of the April 9 elections as basically positive, noting the overall peaceful conduct, high voter turnout, and a general impression that people felt free to choose. Nonetheless, he remarked somewhat

sarcastically on the "sudden rocketing" of votes for Fretilin candidate Francisco "Lu'olo" Guterres late on April 10, following initial results pointing to him possibly being in third place or lower. CDA relayed our observers' impressions that election day processes went well, and despite some flaws, did not appear to have significant elements of fraud. CDA also relayed that Post is preparing written recommendations for improvements in the second round to convey to both the Government and to the UN. Gusmao was pleased to hear this and offered his own suggestions for inclusion, such as providing more assistance to the National Election Commission (CNE) and improving security presence in certain areas. When asked what kind of message he would be conveying to the public once results are finalized, he said that he would be making a public address to acknowledge the results and appeal for responsible and peaceful conduct of the runoff poll.

¶13. (C) Overall, Gusmao described the election results as "good" and reflective of a broad based desire for change, especially among Dili residents. He said that even though they may not be admitting it, Fretilin knows that it lost. (Note: Fretilin candidate Lu'olo received 27.89 percent, which gave him the first place slot, but is a significant reduction from Fretilin's 57 percent win in the last national elections. Moreover, the combined strength of opposition party candidates in this election was over 60 percent.) He believes that this could result in a more aggressive Fretilin campaign for the runoff election, and stated that the relative peace of the first round could partly be attributed to Fretilin's misplaced confidence that they would win. He described Fretilin as "not ready to lose, not ready to accept that they can make mistakes", and compared Fretilin's present attitude with that of Indonesia's confidence in 1999 that Timor would vote to remain part of Indonesia.

¶14. (C/NF) Gusmao attributes Prime Minister Jose Ramos-Horta's relatively disappointing performance in the western districts to his role in ordering operations against the immensely popular dissident military leader Alfredo Reinado. Gusmao emphasized that this was unavoidable, as Ramos-Horta had no other course of action available to him. Gusmao then went on to discuss current efforts underway to resolve the Reinado situation, noting that

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Ramos-Horta has revived efforts to convince Bishop Ricardo of Dili to play an intermediary role and that they have discussed pulling back the ISF operation. In addition, he reported that Ramos-Horta would travel to Same on April 19, the southern town where Reinado's stand off with the ISF occurred, to meet with close Reinado ally, Leandor Isaak. He explained, however, that the intent was not to suspend the operation to arrest Reinado, only to lighten its touch to create the space for a peaceful resolution. He still insists that Reinado must surrender all his weapons and surrender himself to justice. (Note: Post has separately concluded that the ISF operation against Reinado is essentially dormant.)

¶15. (C) Gusmao described the April 9 poll as a good indicator of party support going into the parliamentary elections. In particular, he cited the voting percentage for Lu'olo of Fretilin (27.89%), Lasama of PD (19.18%), and Lucia Lobato of Social Democratic Party - PSD (8.86%) as closely aligned with their likely party support. He expressed hope that the vote for Xavier do Amaral of the Timorese Social Democrat Association - ASDT (14.39%) reflected support for that opposition party, but noted that do Amaral's personal popularity was the more likely cause of his surprising performance. He did not remark on what was indicated by Ramos-Horta's support (21.81%), nor on whether the opposition parties would combine to support Ramos-Horta in the runoff against Lu'olo.

¶16. (C) Gusmao also provided an overview of his current thinking about his new political party, the National Congress for Timorese Reconstruction (CNRT). The CNRT will hold its national congress on April 24-26 where it will ratify the decisions on party structure reached at an earlier national gathering, but

will mostly focus on planning the parliamentary election campaign. (Note: Ramos-Horta's campaign manager has told us that CNRT plans to use the second round presidential elections as a test of their party organization.) Gusmao described the CNRT as a "situational party" that he does not see as existing for the long run, but rather dissolving once its objectives of "saving the country" are met. (Reftel A provides more detail on Gusmao's thinking regarding CNRT's goal to end the dominance of the current Fretolin leadership.) He portrayed the CNRT as a buffer between Fretolin and other opposition parties, effectively allowing them the space to campaign in peace.

¶ 7. (C) Post has been receiving reports from opposition party contacts that discussions are underway to form an opposition coalition with the CNRT in advance of the parliamentary elections. However, when asked about this possibility, Gusmao raised a series of doubts and concerns and stated that CNRT would run alone. He expressed reluctance to enter into the difficult negotiations with other parties that would be required to affect such a coalition, repeatedly stating that it would be "so difficult". Moreover, he referenced the fact that formal coalitions must combine to submit a single list, something he seems unwilling to do. Finally, he expressed his view of the CNRT as representing the potential for real reform and that he therefore did not want it to be diluted through compromise with other parties. Whether this reflects a genuine refusal to consider coalition building remains to be seen. Gusmao expressed some confusion regarding what was possible under the law regarding both pre- and post- election coalitions. Most sources regard the law as allowing only the single party with the most seats, even if no majority is obtained, to form a government. We understand that Gusmao and the rest of the CNRT leadership are still reviewing their strategy and our sources in other opposition indicate that discussions are ongoing.

NAGY